MONTCLAIR STATE UNIVERSITY

Procurement Services
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Blanket Purchase Orders (BPO) Guidance

Introduction

As Direct Pay usage is reduced across multiple categories to strengthen compliance and as Confirming Orders are tracked, the University will adopt a controlled, intentional use of Blanket Purchase Orders (BPOs) to preserve operational flexibility while maintaining audit integrity. BPOs provide a structured purchasing option for recurring, routine, or usage-based needs where multiple transactions are expected over a defined time period.

What is a Blanket Purchase Order?

A Blanket Purchase Order (BPO) is a pre-approved purchasing instrument that:

- Establishes an authorized supplier
- Defines an approved scope of goods and/or services
- Sets a not-to-exceed dollar amount (equivalent to the PO value)
- Covers multiple transactions over a defined time period

When a BPO may be used

BPOs are permitted in unique circumstances when all of the following conditions are met and as approved by Procurement Services:

- Recurring or Repetitive Need – recurring, routine, or usage-based goods/services where individual occurrences and charges may vary, but the overall scope and pricing methodology can be defined in advance.
- Defined Scope & Predictability – the type of goods/services, supplier, and expected aggregate spend can be reasonably estimated. Pricing should ideally be fixed or clearly defined (e.g., hourly, per unit, or per occurrence). Procurement may permit Blanket POs when the exact dollar amount per transaction is unknown (e.g., variable-priced repeat purchases), provided transactions are repeatable, non-strategic, and the scope does not materially change over time. BPOs are not permitted for open-ended consulting/advisory engagements without a defined scope, rate structure, term, and not-to-exceed amount.
- No Alternative and Efficiency Gains – Direct Pay and/or P-Card is not permitted due to dollar value, or additional control is needed because of compliance/risk considerations (e.g., services, licensing, data security).
- Monitoring – Departments are responsible for monitoring usage against the not-to-exceed amount and term. Departments may request a change order to increase a BPO, as

applicable, provided it remains in compliance with University policies and procedures, and the change order is issued before commitments exceed the BPO amount.

Examples BPOs:

1. Athletic officials for a sports season - A department expects to pay referees/officials for multiple games over a season. The supplier or assigning organization is known, the per-game or per-event rate is known, and the total season spend can be estimated. Why this works as a BPO:
    - Recurring/repetitive need
    - Known supplier
    - Clear pricing basis (per game / per event)
    - Defined term (season)
    - Not-to-exceed amount can be established
2. Fine arts models for recurring class sessions - A department uses live models throughout a semester for instructional fine arts classes. The supplier(s), hourly/session rate, and approximate number of sessions are known in advance. Why this works as a BPO:
    - Repeatable instructional need
    - Pricing basis can be defined (hourly / per session)
    - Term is known (semester / academic year)
    - Aggregate spend can be estimated

Department responsibilities

Departments are responsible for:

- Ensuring the BPO remains within the approved scope and term
- Monitoring activity against the not-to-exceed amount
- Requesting a change order if additional capacity is needed before commitments exceed the BPO amount
- Maintaining appropriate documentation and supporting records

How to request a BPO

Departments should contact Procurement Services early when they identify a recurring need that appears appropriate for a Blanket PO. When submitting a requisition, a BPO can be requested or "flagged" by selecting the "Blanket" Attachment Category.

In general, a BPO request should include:

- Supplier name
- Description of the recurring goods/services
- Proposed term (start/end dates)
- Pricing basis (e.g., hourly, per unit, per occurrence)

- Not-to-exceed amount to be expended over the proposed term
- Supporting quote / contract / scope documentation as applicable
- Depending on the underlying procurement methodology (quote range, waiver/cooperative, contract requirements, etc.), additional approvals or a WSS intake may be required.

Related resources

- Procurement Resources can help guide you on where to find the appropriate forms/ resources for each Procurement function(Workday Procurement Life Cycle; WSS Job Aid) and other information on the Procurement Services website.